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FOREIGN AGRICULTURE

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Does the World Need New Agricultural Trade Rules?

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Partial view of harbor basins at the German port of Hamburg. Agricultural policy decisions in major trading countries play a large part in determining imports and exports moving in and out of ports such as Hamburg. See article beginning this page.

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Moving U.S. grain into export channels: bulk loading . . .

Does the World Need New Agricultural Trade Rules?

. . . crewman sweeps coaming before sealing hatch.

By CLARENCE D. PALMBY
Assistant Secretary of Agriculture

Over the years, our agriculture has increased yields per acre rapidly. In fact, we have been able to supply our domestic and export markets with a slight lowering of harvested acreage.

This fiscal year, we are achieving a record high level of U.S. farm exports —whether you measure it by value, by commercial sales for dollars, or by volume. Without a continued high volume of farm exports—and assuming continued high acre yields—there would be a need for a further acreage reduction in years ahead. And however you approach an adjustment problem in the magnitude of millions of acres, the results are expensive or painful or both.

It is thus a matter of very great concern to us that the developed countries of Europe, where we would expect to find our major markets, as well as Japan, are following policies which restrict trade growth.

The story of the development of the European Community's Common Agricultural Policy and how it works has been told so often that I need not detail it here. The high rigid internal prices stimulate uneconomic production. These prices are protected by variable levies and other devices which deprive outside exporters of the competitive advantage they might have, and reduce imports. Products that cannot be disposed of on the internal protected markets are moved into export almost automatically through export subsidies. Thus, outside countries lose export markets two ways.

Let me stress that the European Community continues to be an important and our largest single market for agricultural products.

This fiscal year, because of Europe's adverse weather, depleted stocks, and expansion in pig production, our exports to the EC will be the highest ever. They should well exceed $1.6 billion. This figure reflects the striking growth of our trade in oilseeds and products, which enter the EC free of duty and which have benefited to some extent, also, from the EC's high price policy on grains. In fiscal 1962 our exports to the EC of these products amounted to $203 million. This year they may approach $700 million.

The European Community recognizes that its policy of relying on high prices for farm support is not working. In Germany, for example, internal subsidies to farmers have been granted since 1965 as a response to income losses resulting from the reduction in German grain prices and the German mark revaluation.

For some years now Dr. Sicco Mansholt, the architect of the EC's Common Policy, has tried to supplement price policy with policies of structural reform involving payments to farmers. He has been only partly successful.

The entry of the United Kingdom into the EC would heighten the need for reform. Like the EC, the United Kingdom is a major market for world agriculture. Total U.K. imports of agricultural products amounted to $5.6 billion last year. The United States supplied $450 million of this, mostly in grains and tobacco.

The United Kingdom traditionally has had lower agricultural prices than most of the countries on the Continent, and until very recently it had a quite different kind of farm price support system. The United Kingdom uses deficiency payments. That is, the internal market price for most agricultural products is the world price. Products enter free of duty or at modest duties, and the farmer is given a payment by the Government to make up the difference between what he receives from the market and a guaranteed price.

Much work has been done both in and outside of governments to try to assess the impact of extending to the United Kingdom the Common Agricultural Policy of the EC. The result of all of this work is disturbing.

Many observers see trouble ahead for outside countries—and on a variety of products—unless the EC changes its policy. The Europeans realize this system entails heavy burdens for everyone, and we hope that U.K. entry would lead to its reform. We hope that the recent agreement which we entered into with the United Kingdom carrying forward our rights on grain under the General Agreement on Tariffs and Trade will help make possible needed reforms.

Agricultural policy problems are not limited to Europe. Japan's agricultural policy has led to a most troublesome rice surplus. High support prices have contributed to increased production far outrunning uses. Japan's rice support price was this year raised to over $390 per ton. (By way of contrast, the U.S. rice support price is $107 per ton.) Japan's present stocks of rice are greater than last year's total world trade in rice.

Japan has also delayed removing its restrictive quotas on imports far too long. There is no justification at all for continued quotas on fresh grapefruit, on citrus juices, and on a number of other products. Nevertheless, I will readily acknowledge that Japan is a good, large, and growing market for U.S. agricultural products, and a bright spot for future growth.

Most-favored-nation treatment. The shift from multilateralism based on most-favored-nation treatment to regionalism or bilateralism is of serious concern to us in agriculture. It is not difficult to see why this should be so. We must compete with other exporters in practically every agricultural product we sell, and our competitive position is based strongly on price.

When our competitor is given a price advantage, he usually makes the sale. Although full MFN has never been a reality because of the Commonwealth Preference System, Europe's relations with its colonies, and our own preferences with Cuba and the Philippines, the GATT barred the extension of these preferences and sought to move the world toward full MFN. Exceptions were made for full customs unions and free trade areas.

Based on a statement before the Subcommittee on International Trade, Committee on Finance, U.S. Senate, May 20.

The creation of the EC in 1957 significantly changed this direction, even though the EC did in fact meet the GATT test as a customs union.

As a result of the merging of the Six, the seven European Free Trade Association countries created their own free trade area. Subsequently, regional preferential arrangements were extended to the developing world, with U.S. support, and led to the creation of the Latin American Free Trade Area, the Central American Free Trade Area, and others.

During the past 10 years the EC has widened its preferential trade bloc, associating Greece and Turkey. It has replaced former French African preferences with EC preferences. It has negotiated strictly preferential arrangements with Tunisia, Morocco, Spain, Israel, and other Mediterranean and African countries.

I have mentioned the enlargement negotiations. If these are successful, the problem of the remaining EFTA countries must be faced. Most have already said they want some form of preferential association. British Commonwealth developing countries want preferential access to any Common Market that includes the United Kingdom.

U.S. import policies. Our own agricultural import system is relatively liberal. Yet all too frequently we face the charge that the United States, as much as any other country, maintains strict control over its agricultural imports under Section 22 of the Agricultural Adjustment Act, by reason of a waiver given it by the Contracting Parties to the GATT in 1955. Our Section 22 waiver has been raised as an excuse for continued restrictive policies of other nations. These charges are erroneous and misleading.

Import controls limiting the quantity which foreign countries can sell in the U.S. market are applied on only five commodities: Cotton, wheat and wheat flour, peanuts, certain dairy products, and sugar. Sugar is controlled under the Sugar Act, while imports of the other four products are controlled under the authority of Section 22. Imports of fresh, chilled, or frozen beef and veal may be subject to control under the Meat Import Act of 1964, but they have been limited by voluntary restraints negotiated with principal exporting countries.

Domestic production of all these commodities, except dairy products and meat, is likewise controlled. Even though imports are regulated, about 40 percent of U.S. sugar is imported.

All other agricultural imports of the United States, which include pork, lamb, poultry, a large variety of canned meat products, wines, vegetable oils, fruits and vegetables, tobacco, and feedgrains—to mention only a few in which there is major U.S. production—are permitted unrestricted entry and are subject to only fixed and generally moderate tariffs.

Significant features of the Section 22 law are frequently overlooked or misunderstood. In the first place, the authority is limited in scope. Import controls may not be imposed to protect domestic production, as in other countries, but only to protect price support and other programs of the Department of Agriculture.

Even the existence of a program does not mean the automatic application of import controls. There must be a showing that imports will materially interfere or render the program ineffective. Experience over the last 30 years shows that this condition of the import statute is not easily met.

The Act requires also that a share of the U.S. market be made available for foreign supplies. Existing quotas under Section 22 well illustrate this. The much publicized controls of dairy imports still permit, for certain cheeses, imports ranging from 200 percent to 400 percent of those that entered during a prior representative period.

Institutions and proposals. How might we deal with these major challenges facing world agriculture and the United States, and how adequate is the GATT in this respect?

Contrary to what many people seem to think, the GATT is not silent on agricultural trade in its general rules, nor is it without specific negotiated commitments on agricultural products. (Practically every agricultural item in the U.S. Tariff is negotiated and bound against increase under the GATT, for example, and we continue to hold some very valuable bindings abroad—such as our duty-free entry into the EC on soybeans and meal.)

The GATT is, however, a charter, and most of its rules are drawn broadly. They require constant interpretation, and they require enforcement. Unfortunately, in my judgment, both of these have been lacking. Much of the interpretation we have had has been faulty.

There are reasons for this, of course. Take support programs. The GATT drafters were not ignorant of the fact that internal price support policies influenced trade and could lead to export subsidies and undercut commitments made at the border on tariffs. The GATT links such support policies to tariff bindings and provides for the usual GATT sanction—retaliation—if they are allowed to impair negotiated concessions. But this GATT provision was not used in its early years, and not enough attention was paid to obtaining and keeping specific negotiated tariff concessions. There was not the sharp concern in these early years over agricultural self-sufficiency. We now know better.

Thus, in my judgment, we should not now reject the GATT or seek to replace it with a new institution. We should instead work within it—reform it.

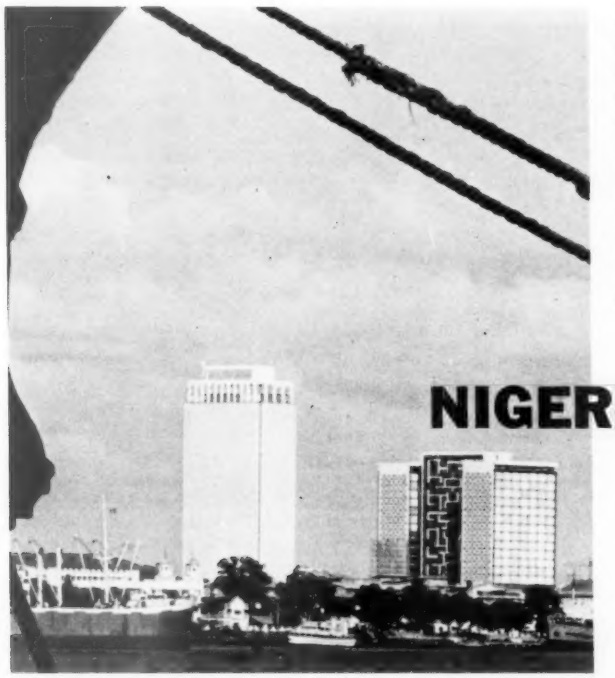
We should return to the original promise of the GATT—the promise of a market-oriented agricultural trading world. Export subsidies should be eliminated. Present protective systems, such as variable levies and quotas, should be replaced by fixed duties.

Farm income objectives should be met through programs that do not influence total production but do aid farmers unable to obtain a satisfactory income level through competitive prices.

A broad-scale negotiation may be one answer to how to do this, but it should not be allowed to get in the way of specific adjustments that are urgently needed in most countries now.

And if a new major negotiation is to deal with agricultural problems I have discussed, it must break with the old patterns. It must deal with the GATT's shortcomings on prices and production policies, subsidies, variable levies, and MFN. We can no longer tolerate, either, the practice of withholding some products—such as grains—from trade negotiations.

In the interim, we should more vigorously shield our domestic market from unfair competition. We should more aggressively advance our interests in export markets abroad. There are statutes on the books which give us authority to do both of these and there are provisions in the GATT which allow their use. They should be used. We are confident they will be.



Lagos, left, is the chief port of Nigeria and handles about half of the country's international trade. In recent years new facilities have been installed.

NIGERIA:

A Developing Country Eases Agricultural Import Rules

The Nigerian Government has launched its 1971–72 fiscal year (April 1, 1971–March 31, 1972) with a move toward easing import limitations on a number of agricultural commodities.

In his annual budget message on March 31, General Yakubu Gowan, Head of State, announced the freer trade policy, which entails a general lifting of import restrictions prevailing during and since the Nigerian civil war. Though imports were generally freed, some major farm items such as wheat, tobacco, and rice remain controlled by import licenses. And an absolute import ban continues on some other products to protect domestic producers.

The budget message confirmed that the three most pressing problems confronting the Nigerian economy are:

- The deteriorating foreign exchange situation and continuing unfavorable balance of payments;
- The country's critical unemployment situation;
- The rising cost of living and inflationary pressures aggravated by trade restrictions, profiteering, and cost of living allowance arrears.

To help solve these problems, licenses will no longer be required for most imported goods. However, an excepted list of 13 items includes rice, wheat, unmanufactured tobacco (except cigars and cigarettes), and alcoholic beverages. Furthermore, specific licenses may be reintroduced to protect locally manufactured goods when they are being produced in sufficient quantities.

The items for which imports were banned completely include stockfish, meat, fresh fruits and vegetables, and margarine.

To conserve foreign exchange resources to pay for imports essential to economic development, the Nigerian Government plans to tighten exchange control regulations. This effort includes a program to regularize the current delays on foreign exchange remittances for imports into Nigeria.

Under the new program, essential raw materials for industry and consumer goods such as milk, sugar, and baby foods will be paid for 90 days from their date of arrival in Nigeria. Other commodities will be paid for in foreign exchange 180 days after their arrival, and capital goods will be financed under various export credit schemes. The Nigerian Government will import scarce items through a bulk purchasing organization.

The budget message also included the announcement of some tariff changes, effective at midnight, March 31, 1971. These include increased duties on imported wheat flour (from 25 percent to 50 percent ad val.), coffee (from 66.6 percent to 75 percent ad val.), and tomato puree and paste (from 50 percent to 100 percent ad val.). The excise duty on butter and margarine was reduced from 10 percent to 5 percent. However, imports of margarine are prohibited at present.

Estimates announced in the budget message put Nigeria's gross current revenue for fiscal 1971–72 at $1,330 million, up from $910 million in 1970–71. The increase largely is due to higher revenues expected from the petroleum industry and from import and excise taxes. Recurrent expenditures are estimated at $613.2 million. After appropriations to State Governments and to the Nigerian Development Fund from the net revenue, the Government estimates a budget surplus of about $28 million.

Although Nigeria's move toward a more liberal trade policy is a welcome one, it will have little immediate effect on U.S. agricultural exports to that country since import duties are still high on most items.

In 1970 U.S. agricultural exports to Nigeria were valued at $29,562,000. Principal exports were wheat ($15.4 million), cereals ($5 million), dairy products ($4.8 million), and unmanufactured tobacco ($1 million).

Occasionally, however, the high price of a locally produced commodity will make imports profitable even after a substantial import duty is paid. In such cases the freedom from having to obtain an import license will facilitate the import process.

—Based on dispatch from
ALVIN E. GILBERT
U.S. Agricultural Attaché, Lagos

By ROBERT W. JOHNSON
Tobacco Division
Foreign Agricultural Service

U.S. Tobacco Exports Nipped by Bigger Competitive Production

In the face of increasing competition by foreign tobacco producers and reduced purchases by some traditional customers, U.S. exports of unmanufactured tobacco turned down significantly in 1970 after 4 years in which they had been at relatively high levels.

The quantity exported in 1970 was 510 million pounds, 11.6 percent less than the 577 million pounds shipped a year earlier. The drop in value between 1969 and 1970 was 9.5 percent—from $539.6 million to $488.4 million.

Much of the decline was attributable to a steady drop in exports of flue-cured tobacco, the most important type exported by the United States.

Accounting for 77 percent of total tobacco exports during the 1960's—but only 72 percent in 1970—flue-cured exports amounted to 443.5 million pounds in 1968, but dropped to 367.3 million in 1970.

In terms of value, flue-cured tobacco earned nearly $402 million in 1970, compared with $42 million earned by burley, the second-place money earner.

Some of the problems facing U.S. flue-cured tobacco producers can be understood by examining what has happened since the United Nations placed its embargo on Rhodesian tobacco following the unilateral declaration of independence in November 1965.

As a result of the embargo, U.S. exporters of flue-cured tobacco boosted their shipments to an annual average of 431 million pounds during the 1966–68 period, an increase of 9 percent from the 5-year average of 397 million pounds in 1960–64.

The embargo caused many tobacco importers to turn to the United States —the world's largest producer of flue-cured tobacco—for a large proportion of their flue-cured supplies.

Now, however, the U.N. embargo on Rhodesia has been in effect for 5 years and it is obvious that other flue-cured exporters have expanded production in order to capture a larger share of the world market.

Production by all producers—other than the United States and Rhodesia—was 44 percent higher in 1970 than the 1960–64 average. By contrast, U.S. production in 1970 was 13 percent lower than the average for that period.

These trends in production continue those between the early fifties and the early sixties. During that period, average production by these other countries went from 1.1 billion pounds to 1.8 billion pounds, a 63-percent increase. U.S. production remained unchanged at 1.3 billion pounds during the period.

In recent years—at the same time that other exporters have expanded their output—purchases by major flue-cured importers seem to be declining.

The United Kingdom is the world's largest importer of flue-cured tobacco —and the best single U.S. customer. U.K. imports from all suppliers dropped from 328 million pounds in 1968 to 305 million in 1969 and 284 million in 1970. During this 3-year period, the United States provided an average of 139 million pounds, 45 percent of U.K. flue-cured imports.

West Germany is the world's second largest flue-cured importer. Its imports are not available by type, but total West German imports declined from a range of 300–340 million pounds in 1965–69 to 270 million in 1970. Here, again, the United States is a major supplier of West Germany's flue-cured tobacco. However, U.S. exports to that country dropped from 73.5 million pounds in 1968 to 71 million in 1970.

There are indications that smaller tobacco imports by the United Kingdom may have resulted from an adjustment of stocks as the United Kingdom prepares for possible membership in the European Community.

The EC's Common Agricultural Policy provides subsidies to users of domestically produced tobacco. It is likely that manufacturers in both the United Kingdom and West Germany are reducing stocks in order to take advantage of these subsidies by buying Italian or other EC-produced tobacco.

Lower 1970 imports by West Germany were partially offset by larger imports by France and the Netherlands. France, however, is not a large importer of flue-cured tobacco and only 7 percent of its 1970 imports were from the United States.

Total EC imports for 1970 were 633 million pounds, 3 percent below the 655 million pounds imported in 1969 but higher than in three of the previous 5 years. The U.S. share was 139 million pounds, or 22 percent—lower than any of the previous 5 years.

U.S. export data indicate that Japan —third largest U.S. customer after the United Kingdom and West Germany— took 33 percent more U.S. flue-cured tobacco in 1970 than in 1969. Preliminary estimates are that Japan's total imports from all sources may set a new record in 1970.

Japan, in addition to being the third largest U.S. market for flue-cured tobacco, is also the world's third largest producer, with an annual output of a little over 200 million pounds. Japan exports around 2 million pounds annually but imports 50 million to 60 million pounds of flue-cured—mostly from the United States.

U.S. exports have not only suffered from increased competition by traditional exporters of flue-cured tobacco

but also from a number of late arrivals on the export scene who have increased production to take advantage of shortages resulting from the U.N. embargo. Their favorable low production costs give these countries a competitive bite that is being felt by U.S. producers.

The most noteworthy of these is South Korea, which exported virtually nothing prior to 1965 but shipped over 40 million pounds in 1970. Others are South Africa, Thailand, Tanzania, Uganda, Brazil, and Malawi.

In addition, at least one other country, Greece—not now producing flue-cured tobacco commercially—is experimenting with flue-cured in order to compete in the export market.

Canada. Export shipments of flue-cured tobacco totaled 47 million pounds in 1970, down from the record 51 million pounds in 1969, but 15 percent above the 1960–64 average of 41 million pounds.

India. The 1970 flue-cured crop was down about one-third from 1969's as a result of wet weather and lower yields. Output in 1970 was 179 million pounds, compared with 265 million in 1969, and an average of 184 million for 1960–64.

India exported an average of 101 million pounds of flue-cured tobacco in 1960–64, but exports declined somewhat to an average of 95 million pounds in 1967–69. Flue-cured exports for 1970 were 93 million pounds, the same as in 1969.

Rhodesia. In spite of the embargo on Rhodesian tobacco, an estimated 50 million pounds in 1969 and 75 million pounds in 1970 went into export trade.

The Rhodesian crop was estimated at 132 million pounds in 1969 and the same for 1970. This is a 41-percent decrease from the average production of 225 million pounds for 1960–64.

Mainland China. The world's second largest producer of flue-cured tobacco, Mainland China, has expanded its production to an estimated average of 870 million pounds during the past 3 years, 1968–70. This is an increase of 44 percent from the 5-year average of 604 million pounds in 1955–59.

Most of this increased output went into domestic consumption or stocks. Mainland China's exports are small in relation to total production, but import statistics from some of its customers suggest they may have risen during recent years. Total exports could be about 50 million to 60 million pounds.

The USSR, Singapore, and West Germany seem to have been the best customers for Chinese tobacco during the past 10 years, although the USSR seems to have taken little if any Chinese tobacco in recent years.

While West Germany's imports of Chinese tobacco are only about one-sixth as large as those from the United States, China's share has grown very rapidly. West Germany imported only 347,000 pounds of Chinese tobacco in 1960. Imports were 10 million pounds in 1967, 11 million in 1968, and 18 million in 1969.

By comparison, West Germany's imports from the United States fell from 122 million pounds in 1967 to 67 million in 1970, a 45-percent decline.

Republic of Korea. This country started exporting flue-cured tobacco in 1959 when it sent 379,000 pounds to West Germany. Since then, total shipments to all areas increased steadily to 32 million pounds in 1969 and exceeded 40 million in 1970.

The United Kingdom, the largest customer for South Korean tobacco in 1969, took 13 million pounds in 1970, more than double the 6 million pounds it took in 1969.

Thailand. Area planted to flue-cured tobacco has been expanded in order to meet increased foreign demand. Production increased from an average of 23 million pounds in 1960–64 to 37 million in 1968, 41 million in 1969, and 43 million in 1970.

In addition to these countries at least 17 others have more than doubled their flue-cured output since 1960–64. Most are small producers and increased production has been absorbed by their domestic market.

Others, such as Mexico and Argentina, are relatively large producers and export some flue-cured but are not likely to greatly increase exports because of high production costs, or better profits from alternative crops. However, other countries which have never been significant as exporters of flue-cured tobacco are now trying to expand production to compete specifically in this market. Examples are Brazil, the East African community countries of Tanzania and Uganda, and—as already mentioned—Greece.

Brazil has long been an exporter of flue-cured tobacco, but until recently most exports were of native type flue-cured which is not competitive with U.S. flue-cured. Most of Brazil's production was used to supply the domestic industry until 1968 when it exported an estimated 6 million pounds.

Tanzania and Uganda are trying to expand production in order to take advantage of duty-free entry for exports to the European Community and to the United Kingdom.

Malawi and South Africa are also expanding flue-cured production primarily for the U.K. market. Zambia's output reached 24 million pounds in 1964, but has since declined as a result of overvalued currency, better prices for corn and cotton, and for various other reasons.

Tanzania's goal is to expand production from 11 million pounds in 1968 to 35 million in 1975. Uganda will try to go from 7 million pounds of flue-cured in 1970 to 13 million in 1975.

ESTIMATED FREE WORLD EXPORTS OF FLUE-CURED TOBACCO

Year	United States	Rhodesia	India	Canada	South Korea	Others	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1960	409	154	65	36	1.1	40	705
1961	403	170	69	37	.3	48	727
1962	375	175	121	47	0	58	776
1963	403	170	115	36	.4	62	786
1964	396	199	136	49	.3	84	864
1965	351	244	115	39	5.3	90	844
1966	423	56	62	36	18.1	115	710
1967	427	58	102	43	22.1	98	750
1968	444	53	90	46	29.9	139	802
1969	430	50	93	51	32.0	177	833
1970[1]	367	70	93	47	40.0	194	811

[1] Preliminary

Sorting chicks in the United States from hatching tray into export cartons.

CHICK IM

HELP LEB

POULTRY IN

TO FLOU

With the aid of large imports of day-old chicks from the United States and West European countries (about 498,000 in 1970), Lebanon occupies the position of the Middle East's only net poultry product exporter. The imported day-old chicks are all specialized, hybridized birds used as multiplier stock to locally produce the layer or broiler chicks or hatching eggs sold by Lebanese hatcheries to Lebanese poultry raisers.

These efficient U.S.-strain chickens power Lebanese poultry production both for local consumption and for nearby export markets.

In 1970 about 514 million eggs of all types were produced in Lebanon, of which 243.1 million (nearly half the total) were shipped as table eggs to other Arabic-speaking countries. Table eggs are the chief Lebanese poultry product export, and foreign sales in 1970 were 68 percent in value of total poultry exports.

Other important Lebanese poultry exports in 1970 were poultry meat, hatching eggs, and day-old chicks. Poultry meat shipments (200 metric tons) comprised 19 percent of the total value of poultry product sales abroad. Hatching egg exports totaled 7.6 million and were 8 percent of foreign poultry sales. And day-old chick sales were 3.5 million and 5 percent of poultry export value.

While poultry meat exports were minor in comparison to total production in 1970 (15,800 metric tons), the hatching egg and chick exports were an important part of Lebanese hatchery output. About 20 percent of all hatching eggs and about 14 percent of all day-old chicks went to nearby Arabic-speaking countries and to Greece.

The vital role of U.S.-strain chicks in the prosperity of Lebanon's poultry industry is illustrated by the fact that Lebanon continues to depend chiefly upon chick imports to supply its breeding stock. About 41 percent of such imports come directly from the United States; the remainder come from hatcheries in Western Europe that acquire their basic stock from the United States.

These chicks, which are bought by Lebanese hatcheries, have special breeding characteristics. Imported chicks of laying stock are bred to each other to produce the laying hen chicks and hatching eggs sold to Lebanese poultrymen. The laying hen the poultryman buys possesses the present maximum of egg-laying capabilities.

Imported parent and grandparent broiler stock are also bred to each other in hatcheries to produce the large numbers of broiler chicks and eggs sold to broiler farmers. The parent broiler stock produce offspring that grow rapidly, utilize feed efficiently, and produce high-quality meat.

The imported chicks (and sometimes their first-generation descendants) kept by hatcheries for breeding purposes are termed multiplier stock for reasons the following figures make clear. From an estimated 523,000 broiler breeding hens and 110,000 layer breeding hens plus a limited number of roosters, about 23,650,000 chicks and 38,000,000 hatching eggs were produced in Lebanon in 1970.

Another reason for Lebanon's position as a major poultry exporter to nearby countries is the modernity and efficiency of its poultry industry.

Nearly all table egg production is from commercial laying hens, of which there were an estimated 4,750,000 in the country in 1970. Most commercial hens are held by medium-sized poultry operations averaging about 10,000 birds each. In 1970 only about 50,000 laying hens were on small farms or in households. One reason that noncommercial egg production remains small is that the farmyard hens lack veterinary care and

IMPORTS

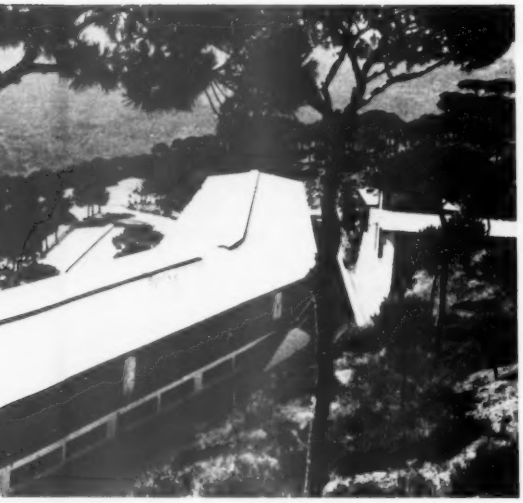
LEBANON'S

Y INDUSTRY

FLOURISH

LEBANON'S POULTRY EXPORTS BY MAJOR CATEGORY FOR 1970 AND ESTIMATED FOR 1971

Destination	1970			1971		
	Day-old chicks	Table eggs	Hatching eggs	Day-old chicks	Table eggs	Hatching eggs
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Thousands*	*Thousands*
Abu Dhabi	—	1,600	—	—	2,500	—
Iraq	413	—	2,300	500	—	2,500
Jordan	94	43,400	1,500	—	70,000	1,500
Kuwait	237	65,300	1,700	400	100,000	2,000
Saudi Arabia	949	57,200	1,300	1,500	87,000	1,500
Syria	1,680	73,900	800	3,400	120,000	1,000
Other Arab countries	76	1,700	—	100	2,000	—
Greece	72	—	—	100	—	—
Total	3,522	243,100	7,600	6,000	381,500	8,500



Intensive poultry operation in Lebanon. Above, outside of a modern poultry farm and processing plant. Left, owner of the farm (l.) consults with poultry expert on care of chicks. Below, broilers come out of a plucking machine in plant. (FAO photos.)

many succumb to poultry diseases.

Considerable work has been done in Lebanon—much with the aid of foreign countries—to improve poultry health. Commercial poultry operations have utilized the results of such work. Successful vaccination campaigns have been conducted against Newcastle disease, Marek's disease, and infectious bronchitis. Other poultry diseases present to a lesser extent are epidemic tremor and chronic respiratory disease.

Another factor in commercial poultry operations is that in 1970 Lebanon established a policy to further closer working relations between hatcheries, feed mills and associated enterprises, and poultry farmers. The result is that the less efficient poultry farms and hatcheries are being absorbed by the more efficient operators. Turnover is especially great among the medium-sized concerns that produce most of the table eggs and broilers.

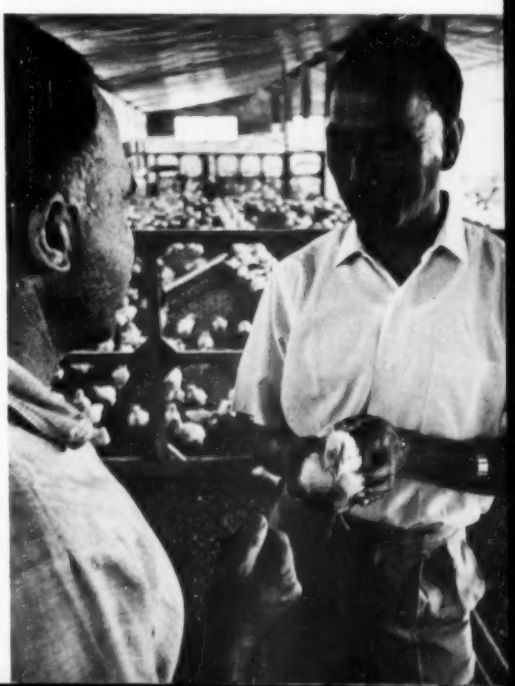
At the same time, growing competition from European countries for Arab poultry markets and unstable external trade because of political tensions in the Middle East have encouraged greater cooperation among hatcheries, feed mills, and other segments of Lebanon's poultry industry. Such cooperation is especially important to small and medium farmers with limited bankrolls.

For 1971, Lebanon's poultry imports and exports are expected to continue at the same level as 1970 or increase. Imports of day-old chicks are expected to rise slightly to about 500,000; but a jump such as that from 1969 to 1970 (from 226,000 to 498,000) is not anticipated. On the other hand, Lebanon's exports of day-old chicks in 1971 are forecast at about 6 million, or nearly double the approximately 3.5 million sold abroad in 1967. Substantial but less spectacular increases are expected in foreign sales of Lebanon's table eggs and hatching eggs.

Better Lebanese trade relations with Syria and Saudi Arabia (two of Lebanon's chief customers) would be the chief factor in greater poultry exports in 1971. —Based on dispatch from

WILLIAM HORBALY
U.S. Agricultural Attaché, Beirut

Ready-to-cook, packaged broilers are put into cartons. Most birds are sold in Lebanon, but some are shipped abroad.



Australians are making a serious effort to increase Durum wheat production for export. At right, Durum is used in making spaghetti in a factory in Dandenong, Victoria.

Australia—Growing Competitor for U.S. Agricultural Exports

By MARY E. LONG
Foreign Regional Analysis Division
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Australia's agricultural exports totaled $2.4 billion in 1969–70, rising from $2.1 billion in 1968–69. However, agriculture's share of Australia's total exports of $4.3 billion dropped to 55 percent—a sharp decline from an average of 69 percent during the period from 1964–65 to 1967–68. This was a result of rising export income from minerals, fish products, and several manufactured products.

A significant feature of Australia's overall trade pattern in the past 4 years has been a shift in the order of export markets. Prior to 1966–67, the United Kingdom was the largest export market for Australian farm commodities, but it has now dropped to third place following Japan, the No. 1 market, and the United States, the second largest market.

The following Australian commodities are competitive with U.S. farm products.

Wheat. The 1969–70 Australian marketing year (Dec.–Nov.) was particularly favorable, with exports totaling 8.3 million tons, only slightly below the record 8.5 million tons exported in 1966–67. Larger shipments went to Mainland China, the United Kingdom, Malaysia, the Philippines, Singapore, Pakistan, Taiwan, and African countries. Significant sales to the United Arab Republic, Iraq, and Saudi Arabia resulted in increased shipments to the Middle East.

An important factor in 1969–70 sales of wheat was Australia's inability to furnish hard and high-protein wheats in quantities previously sold to Japan, the United Kingdom, and the EC because of short crops in both years. This shortage is being met from traditional sources, mainly the United States and Canada.

Australia's 1970–71 wheat harvest is currently estimated at 8 million tons. This, plus a carryover of 7.2 million tons from last year's crop, gives a total availability of 15.2 million tons. With seed, food, and feed requirements totaling about 2 million tons and targeted exports at about 8 million tons, the Australian Wheat Board hopes to cut carryover stocks at the beginning of the 1971–72 season to about 5 million tons.

These estimates are based on the assumption that Australia will be able to negotiate a substantial wheat sale with Mainland China during 1971.

The excellent sales record of the Wheat Board during the 1969–70 marketing year caused farmers to press for higher wheat delivery quotas for the 1971–72 season. Although the Australian Wheatgrowers' Federation did not go along with a return to the high quota level of 1969–70, they did recommend to the Government that the 1971–72 quota be set at 339 million bushels, including a special 2-million-bushel quota for Durum wheat for New South Wales. This quota is about 21 million bushels larger than the one set for 1970–71 deliveries, and stresses the production of Prime Hard wheats which are in short supply.

The special Durum wheat quota established for the 1971–72 season indicates a serious effort to increase the production of Durum wheat in Australia. Small quantities have been grown in the past for domestic use, but consideration is now being given to production of this type for export as an added inducement for foreign buyers to purchase a greater variety of grain from Australia.

Feedgrains. With reduced supplies of feedgrains in Europe and North America, Australian farmers have given increased consideration to the diversion of land from pastures and wheat to the production of feedgrains. The area planted to barley was about 40 percent higher in 1970–71 than in 1969–70. Oat plantings were about 13 percent higher, corn area was up about 35 percent, and sorghum acreage increased as much as 70 percent. Consequently, the produc-

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This article is based on the publication The Agricultural Situation in the Far East and Oceania, *ERS Foreign 315, May 1971. Copies of the publication may be obtained from Information Division, OMS, U.S. Department of Agriculture, Washington, D.C. 20250.*

tion of feedgrains in 1970–71 is well above the year-earlier level.

This expanded production of coarse grains in 1970–71 is resulting in larger exports, particularly to Japan. Potential market outlets for Australia's coarse grains will depend on the size of current harvests of corn and sorghum in Argentina and South Africa as well as U.S. feedgrain availabilities from the 1971 crops.

Fruits. A record apple crop of about 26 million bushels is indicated for harvest in 1971—more than 15 percent higher than the former record crop of 1969.

Prospects are for difficulties in the orderly marketing of this crop. Exports for 1969–70 were approximately 3 percent higher than in the previous year. There were increased shipments to Singapore, the United States, Sweden, Norway, Hong Kong, Persian Gulf and African countries. Traditional exports to Europe were limited by a dock strike in the United Kingdom and import licensing restrictions imposed by the EC. Canada also became a sizable market for Australian apples during 1968–69 and 1969–70.

Increased emphasis may be placed upon development of apple exports in 1971 to markets in the Middle East and Southeast Asia. Sales to Singapore and Malaysia have increased significantly during the 1960's.

Pear production for 1970–71 is estimated at 8.3 million bushels—well below the 9.8 million bushels produced in 1969–70, but still about 3 million bushels above the small crop produced in 1968–69. The United Kingdom was the leading market in 1970, followed by the United States and France.

Exports of raisins are forecast at 31,000 metric tons for calendar 1971 —about 45 percent below the previous year. This trade reflects a smaller 1971 Sultana crop, estimated at 45,000 tons as compared with a production of 41,000 tons in the 1969 season.

Exports of canned fruits in 1970–71, particularly apricots, peaches, and pears, are expected to increase from the 1969–70 level. Weather was generally favorable during the growing season and the total deciduous pack is slightly above the large 1970 level.

The favorable export prospects for canned fruits have caused the Commonwealth Treasury to limit payments to the industry to $112,000 in 1970–71. This payment to offset losses from devaluation of sterling currency in 1967 is a sharp decline from the $900,000 allocation in 1969–70 and the $4.8-million payment made in 1968–69.

In addition to the U.K. and West German markets, Australia's canned fruit shipments, mainly peaches, are providing increased competition for U.S. exports in Canada and Japan.

The United States is Australia's largest source of imports, now accounting for about 25 percent of the total, followed by the United Kingdom with 22 percent, and Japan with 17 percent. Agricultural commodities accounted for only $39.5 million of total imports of $1.1 billion from the United States in 1969–70. Market prospects for exports of U.S. farm products to Australia vary according to commodity.

Cotton. The 1970–71 crop is the last one that will be produced under the cotton bounty or subsidy legislation now in effect. Efficiency studies of cotton production will determine whether or not the high levels of production of 30,000 metric tons of cotton produced in recent years can be maintained. It may be that some of the land in cotton could be used more efficiently in the production of other crops.

Production prospects will also determine future needs for U.S. cotton. Imports of U.S. cotton dropped from 22,000 bales in 1967–68 to about 50 bales in 1969–70. Imports of U.S. cotton may be higher this year due to crop losses from flooding in New South Wales in early 1971.

Oilcake and meal. Despite efforts to promote oilseed production, Australia's imports of soybean meal from the United States have increased since the mid-1960's.

During the past 4 years, imports of U.S. soybean cake and meal have averaged 25,000 tons per year valued at about $3 million. These commodities now comprise one of the chief U.S. agricultural exports to Australia. Soybean meal is a protein feed favored by poultry and pig producers.

Soybean production is gradually increasing in Australia after several years of experimentation. However, soybean acreage is still largely limited to Queensland and other irrigated areas and it is doubtful that production of this oilseed will exceed 10,000 tons for several years to come.

Tobacco leaf. Tobacco production has increased to an average of more than 30 million pounds in the past 4 years as compared with 10 million pounds in the last half of the 1950's. Even with the increase in production, imports from the United States continue to average about 18 million pounds, valued at approximately $17 million per annum.

Leaf tobacco accounts for about half of all agricultural commodities purchased from the United States. Imports have been generally well maintained considering that processors are required to take up 50 percent of domestic production before they are eligible for rebates on tariffs charged for imported tobacco leaf.

Australian agricultural exports to the United States since 1966–67 have averaged about $523 million per year with meat, wool, and sugar accounting for over 59 percent of the total value during the past 3 years. The United States is also a significant market for several other Australian farm products.

Meat. Of total agricultural shipments

(*Continued on page 16*)

Peaches, right, one of the many fruits Australia exports in fresh and canned form to markets around the world.

James Biggar discusses frozen foods with Swedish seminar group.

U.S. Foods Exhibited in Sweden and Far East

Consumption trends in different countries often create a demand for specific kinds of food imports. USDA-sponsored food exhibits held in May were tailored to the current booms in consumption of frozen and convenience food and institutional serving in Sweden, and the demand for fresh and processed foods, particularly for institutional use, in Hong Kong and Singapore.

At the Stockholm Trade Center from May 10–15 some 760 importers and food buyers for hotels, restaurants, schools, hospitals, and other institutional establishments were introduced to over 300 frozen and convenience foods displayed by American representatives and Swedish agents for 45 U.S. food manufacturers.

Many of the items, including those in a special section of new foods never before exported to Sweden, were displayed in large quantity "steam table" size packages. Among these were institutional packs of several meat varieties, Chinese food, and hospital custard catering packs. Frozen citrus products and frozen waffles also attracted special interest.

Highlighting the exhibit were seminars given on 3 days by James M. Biggar, President of the Stouffer Food Company of Cleveland, Ohio. In his discussions Mr. Biggar reviewed the history of the U.S. frozen food industry for Swedish frozen food specialists, and described frozen food marketing techniques currently used in the United States.

As a result of rising per capita income and the presence of a large number of Swedish wives in the working force, the trend has been towards the use of frozen and convenience foods and an increase in Swedish dining outside the home.

Frozen food consumption in Sweden increased from 21,000 metric tons in 1960 to 119,000 tons in 1969. Per capita consumption jumped from 6 pounds to nearly 33 pounds during the period, and is expected to more than double this amount by 1975.

Institutional food consumption, too, has become increasingly important in recent years and the trend is expected to continue. The institutional share of the Swedish food market rose from 14 percent in 1964 to 18 percent in 1968 and is projected to reach 30 percent by the beginning of 1975.

Other promotions of U.S. food and agricultural products were held in Hong Kong and Singapore, two small markets with king-size appetities, whose agricultural imports not only supply island residents but are also reexported to consumers in neighboring areas.

From May 6–8 the products of 52 U.S. firms were displayed for the Singapore trade at the National Trade Union Conference Hall. Western Wheat Associates, U.S.A., California Raisin Advisory Board, and Bulgur Associates, U.S.A., cooperated in the event.

Prospective agents and hotel food buyers expressed interest in a wide range of products new to the Singapore market, particularly air-freighted fresh fruits and vegetables and items shown in institutional size packs.

Snacks from bulgur wheat and raisin bread found ready buyers from the hotel trade. School lunch authorities are looking into the possibility of introducing Chinese-style dishes made from bulgur-soy flour.

The first major shipment of U.S. choice beef to Malaysia, amounting to 1½ tons, also took place in early May. Agents for U.S. meat firms took advantage of the occasion to introduce a wider range of beef cuts to the Singapore hotel trade. Previously, imports were largely limited to prime ribs and strip loins.

At both the Singapore and Hong Kong exhibits, a U.S. meat specialist advised on portion control and quality, an institutional food specialist answered questions from members of the food trade, and a chef gave cooking demonstrations utilizing commodities on display. The labor-saving aspect of institutional food packs appealed especially to the hotel trade.

Singapore, which normally must import one-half its food supply, promises to become an even larger market in view of its new roles as a tourist haven and industrial base. During 1969 Singapore imported some $570 million worth of food and agricultural products, with $17 million coming from the United States.

A 3-day exhibit of food products from 75 U.S. firms was held in Hong Kong's City Hall beginning May 20. A large number of Hong Kong buyers inspected a wide array of fruits, melons, and vegetables flown from California; a number of processed food products; a display of institutional packs of fruits, vegetables, and prepared mixes and seasonings; and several lines of canned and smoked meats.

Raisin toast and bulgur snacks interested many buyers, among them one who is planning to introduce a "bulgur-bread" in a chain of local markets.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 9	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1	1.92	+3	2.01
USSR SKS-14	1.88	+2	(1)
Australian FAQ	1.78	0	1.75
U.S. No. 2 Dark Northern Spring:			
14 percent	1.88	−1	1.91
15 percent	1.92	−2	1.99
U.S. No. 2 Hard Winter:			
13.5 percent	1.88	−2	1.86
No. 3 Hard Amber Durum	1.78	−1	1.91
Argentine	(1)	(1)	1.81
U.S. No. 2 Soft Red Winter	1.74	−1	1.70
Feedgrains:			
U.S. No. 3 Yellow corn	1.70	+2	1.66
Argentine Plate corn	1.75	0	1.72
U.S. No. 2 sorghum	1.49	+2	1.43
Argentine-Granifero sorghum	1.48	+2	1.38
U.S. No. 3 Feed barley	1.20	−1	1.09
Soybeans:			
U.S. No. 2 Yellow	3.42	+2	3.19
EC import levies:			
Wheat	1.41	0	1.39
Corn [2]	.70	0	.72
Sorghum [2]	.93	0	.83

[1] Not quoted. [2] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. Note: Basis—30- to 60-day delivery.

Tobacco

U.S. Tobacco Imports, January-April

Imports of unmanufactured tobacco leaf for consumption (duty-paid withdrawals from customs bond for manufacture) during the first 4 months of 1971 were 72.8 million pounds—a little more than the 71.6 million pounds imported during the same period in 1970. Most of the gain was in cigarette leaf (other) which increased about 1 million pounds. Cigarette leaf (flue and burley) continued to decline.

General imports (arrivals) of unmanufactured tobacco during the first 4 months of 1971 were only 85.9 million pounds—a reduction of about 21 percent compared to 108.8 million pounds in the same months of 1970. Cigarette leaf (other) was off about 18 million pounds. Cigarette leaf (flue and burley) was also off substantially, with less than 1 million pounds arriving in 1971, compared with 7.7 million pounds in the first 4 months of 1970. The value of general imports was also down about one-third to $44.5 million, compared with $65.9 million in the first 4 months of 1970.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO
[For consumption]

Period and kind	1970		1971	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
January-April:				
Cigarette leaf (flue and burley)	1,036	350	591	159
Cigarette leaf, other	46,518	31,220	47,443	31,328
Cigar wrapper	193	892	173	590
Mixed filler and wrapper	118	459	64	278
Cigar filler, unstemmed	190	134	238	161
Cigar filler, stemmed	1,026	1,356	946	1,224
Scrap	21,730	7,883	22,449	7,398
Stems	43	2	134	9
Total	71,563	42,988	72,795	41,908
April:				
Cigarette leaf (flue and burley)	9	3	429	98
Cigarette leaf, other	12,519	8,531	11,720	7,706
Cigar wrapper	62	378	43	149
Mixed filler and wrapper	15	92	6	27
Cigar filler, unstemmed	190	134	238	161
Cigar filler, stemmed	291	397	227	289
Scrap	6,023	2,088	5,473	1,778
Total	19,109	11,623	18,136	10,208

Bureau of the Census.

U.S. GENERAL IMPORTS OF UNMANUFACTURED TOBACCO

Period and kind	1970		1971	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
January-April:				
Cigarette leaf (flue and burley)	7,730	3,056	957	232
Cigarette leaf, other	77,890	52,627	59,097	34,187
Cigar wrapper	274	1,054	270	890
Mixed filler and wrapper	199	899	146	650
Cigar filler, unstemmed	12,072	4,592	14,294	5,090
Cigar filler, stemmed	684	787	564	709
Scrap	9,971	2,900	10,461	2,721
Stems	28	1	114	9
Total	108,848	65,916	85,903	44,488
April:				
Cigarette leaf, (flue and burley)	587	108	458	107
Cigarette leaf, other	21,652	13,363	13,924	8,057
Cigar wrapper	112	519	116	447
Mixed filler and wrapper	74	345	—	—
Cigar filler, unstemmed	3,716	1,650	1,752	705
Cigar filler, stemmed	236	278	131	128
Scrap	1,935	552	3,265	872
Total	28,312	16,815	19,646	10,316

Bureau of the Census.

U.S. Tobacco Exports Increase in April

U.S. exports of unmanufactured tobacco in April 1971 increased over last April's and reached 44.5 million pounds (export weight), compared with 38.3 million pounds in April 1970. This brings the total for the 10 months of the fiscal year to 467.5 million pounds, or about 4 percent less than the 488.8 million pounds in the same period of last year.

Tobacco export movement was especially heavy in the first 4 months of calendar 1971, reaching a total of 167 million pounds. This was 30 percent more than the 128 million pounds exported in the same 4 months of 1970. The export movement of flue-cured tobacco, the major kind of U.S. unmanufactured leaf in export trade, was especially heavy in the first part of 1971. Flue-cured exports during the first 4 months of 1971 reached 129 million pounds—almost 47 percent greater than in the same months of 1970. These heavier export movements may be due to earlier-than-normal seasonal shipments in anticipation of possible shipping disturbances at the end of the dockworkers' contracts in August or September 1971.

Although the volume of exports of unmanufactured tobacco was down 4.4 percent in fiscal 1971, the value of $455.4 million represented a loss of only 1.8 percent from the $463.8 million of the same period in 1970. During the first 4 months of 1971 the value of unmanufactured tobacco exports reached $158.5 million, or 37 percent higher than in the same period of 1970.

Exports of manufactured tobacco products increased to $163.7 million during the first 10 months of fiscal 1971—representing an increase of 15.9 percent over 1970. Exports of smoking tobacco in bulk increased by 8 million pounds, or 46 percent. Shipments of cigarettes, the major export item, increased by 4.1 percent. Only exports of chewing and snuff products, minor export items, continued to decline and were down 30 percent from the same 10 months a year ago.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	April		July-April		Change from 1970
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	24,707	33,996	359,886	354,169	— 1.6
Burley	2,970	1,446	40,159	26,386	— 34.3
Dark-fired Kentucky-Tennessee	2,924	1,297	18,763	16,064	— 14.4
Virginia fire-cured [1]	88	574	3,303	3,909	+ 18.3
Maryland	920	424	8,683	7,841	— 9.7
Green River	—	498	209	924	+342.1
One Sucker	44	131	494	533	+ 7.9
Black Fat	176	171	1,693	2,308	+ 36.3
Cigar wrapper	312	178	1,288	1,658	+ 28.7
Cigar binder	30	31	590	334	— 43.4
Cigar filler	43	—	363	234	— 35.5
Other	6,060	5,712	53,401	53,108	— .5
Total	38,274	44,458	488,832	467,468	— 4.4
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	31.5	40.8	463.8	455.4	— 1.8

[1] Includes sun-cured. Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	April		July-April		Change from 1970
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Cigars and cheroots *1,000 pieces*	3,093	2,871	49,962	54,355	+ 8.8
Cigarettes *Million pieces*	2,374	2,258	22,581	23,500	+ 4.1
Chewing and snuff *1,000 pounds*	3	3	43	30	—30.2
Smoking tobacco in pkgs. *1,000 pounds*	51	102	812	901	+12.2
Smoking tobacco in bulk *1,000 pounds*	1,268	1,770	16,774	24,545	+46.3
Total declared value *Million dollars*	14.4	15.2	141.2	163.7	+15.9

Bureau of the Census.

Livestock and Meat Products

U.S. Meat Imports Down in April

U.S. imports subject to the Meat Import Law totaled 86.2 million pounds during April 1971, compared with 88.7 million

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW
[PL 88-482]

Imports	April	January-April
	Million pounds	*Million pounds*
1971:		
Subject to Meat Import Law [1]	86.2	323.0
Total beef and veal [2]	100.2	371.1
Total red meat [3]	138.3	528.8
1970:		
Subject to Meat Import Law [1]	88.7	425.9
Total beef and veal [2]	96.1	468.7
Total red meat [3]	139.1	634.1
1969:		
Subject to Meat Import Law [1]	90.0	318.4
Total beef and veal [2]	100.6	353.8
Total red meat [3]	146.8	491.0

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW BY COUNTRY [1]

Country of origin	April		January-April		Change from 1970 Jan-April
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Australia	39,982	36,588	202,680	117,638	—42.0
New Zealand	13,693	16,520	65,038	56,228	—13.5
Mexico	8,816	8,190	37,249	37,023	— .6
Ireland	4,176	7,007	27,137	30,990	+14.2
Canada	7,420	6,622	25,237	25,986	+ 3.0
Costa Rica	5,009	5,265	19,699	24,598	+24.9
Nicaragua	3,574	2,962	17,377	13,912	—19.9
Guatemala	2,757	1,193	12,030	6,820	—43.3
Honduras	1,467	1,073	11,844	6,644	—43.9
United Kingdom	103	378	965	1,129	+17.0
Panama	830	120	3,506	1,251	—64.3
Dominican Republic	690	225	2,712	585	—78.4
Haiti	193	47	419	226	—46.1
Total	88,710	86,190	425,893	323,030	—24.2

[1] Fresh, frozen, and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products.

for April 1970. Declared entries for consumption during January-April 1971, at 323 million pounds, were 24.2 percent below the 425.9 million pounds imported in January-April 1970.

Reduced entries for consumption during April from Australia, Mexico, Nicaragua, Canada, Guatemala, Honduras, Panama, the Dominican Republic, and Haiti accounted for the decline. Imports from the largest supplier—Australia—totaled 36.6 million pounds. New Zealand followed with 16.5 million pounds, Mexico with 8.2 million, Ireland with 7 million, Canada with 6.6 million, and Costa Rica with 5.3 million.

Sugar and Tropical Products

Canada's Honey Exports Running High

Canada's honey exports for the 1970-71 crop year (July 1-June 30) are forecast to total 14.5 million pounds, more than double the 6 million pounds exported the previous year.

Canada's exportable surplus has increased because of generally rising output in recent years, including harvests of 53.3 million pounds in 1969 (a record) and 51 million pounds in 1970. During 1960-64, production had averaged 35.4 million pounds. Per capita domestic consumption has also been increasing in Canada, reaching 2 pounds in 1970-71.

The current export forecast for the 1970-71 crop year is based on actual exports through February 1971. Imports are forecast to be 19 percent less than in the previous year. Stocks at the end of the year are forecast at 10.7 million pounds, about 5 million pounds below stocks at the beginning of the year.

CANADIAN HONEY SUPPLY AND DISTRIBUTION

Item	1968-69	1969-70	1970-71 [1]
	1,000 tons	*1,000 tons*	*1,000 tons*
Beginning stocks (July 1)	19.0	8.6	15.6
Production	33.4	53.3	51.0
Imports	.8	.7	.6
Total supply	54.1	62.6	67.2
Exports	7.6	6.0	14.5
Domestic disappearance	37.9	41.0	42.0
Ending stocks (June 30)	8.6	15.6	10.7
Total distribution	54.1	62.6	67.2

[1] Forecast.

Drought Lowers East Africa's Tea Crop

Because of low rainfall, Kenya's tea production during the first quarter of 1971 totaled only 18.5 million pounds, down 25 percent from the 24.6 million harvested during the same period a year ago. Dry weather has also hurt Uganda's first-quarter production, the harvest being only 5.6 million pounds, off 30 percent from the 8 million harvested in the same 1970 period.

However, somewhat more favorable growing conditions in Malawi and Tanzania have enabled these countries to record small increases. January-March production in Malawi and Tanzania amounted to 20.2 million and 7.3 million pounds, respectively. This represented gains of 5 percent for Malawi and 11 percent for Tanzania over January-March of last year.

Chinese To Assist Pakistan Sugar Mill

According to press reports, the People's Republic of China will assist Pakistan in building a new sugar mill which will have a daily crushing capacity of 1,000 metric tons of cane. It will be located near Naodero, a small center outside of Larkana.

This offer resulted from a Chinese sugar survey team tour of West Pakistan in April. Within the framework of the April 1970 economic agreement between China and Pakistan, the Chinese will work with the West Pakistan Industrial Development Corporation in erecting the new sugar mill. Many parts for the mill will be made by the Taxila Heavy Machinery Complex, which has previously received assistance from the People's Republic of China.

Fruits, Nuts, and Vegetables

Iranian Almond Crop Remains Steady

Following fine spring weather conditions, early forecasts place Iran's 1971 almond production at 11,000 short tons (kernel-weight basis)—equal to the large 1970 harvest.

Exports of 1970-crop almonds, at 7,000 short tons, are well above the 4,727 tons shipped during the 1969 season. This increase is attributed to the large 1970 harvest. The Soviet Union and West Germany continue to be the principal buyers.

IRANIAN ALMOND SUPPLY AND DISTRIBUTION
[Kernel-Weight Basis]

Item	1967	1968	1969	1970 [1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 23)	0.5	0.5	0.1	0.1
Production	6.0	8.0	6.0	11.0
Total supply	6.5	8.5	6.1	11.1
Exports	2.8	5.5	4.7	7.0
Domestic disappearance	3.2	2.9	1.3	3.1
Ending stocks (Sept. 22)	.5	.1	.1	1.0
Total distribution	6.5	8.5	6.1	11.1

[1] Revised

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Foreign Agriculture

Australia Competes With U.S. Exports

(Continued from page 11)

to the United States in 1969–70 valued at $523 million, exports of beef, veal, mutton, and lamb accounted for about $230 million or 44 percent.

Australia's principal meat exports to the United States are subject to a voluntary restraint program. For calendar year 1971 the total quantity permitted entry subject to the Meat Import Law (P.L. 88–482) was set at 1,160 million pounds. Australia's share of this quantity is 560 million pounds.

Mutton exports to the United States during 1970–71 were disrupted by a U.S. ban resulting from Australian meat plants not being in full compliance with U.S. regulations. Currently, practically all plants have been recertified to resume shipments.

Sugar. Australia's sugar exports to the United States in 1971, as during the past several years, will be subject to quota limitations. The quota assigned Australia for calendar 1971 is 194,965 short tons (raw value). As Australia is the world's second largest exporter of cane sugar, with prospects for processing some 2.5 million tons of raw sugar in 1970–71, it should have no difficulty in meeting this commitment.

Wool. For the past 3 years, Australia's exports of wool to the United States have averaged 44,000 metric tons valued at about $50 million.

Despite the continuing decline in raw wool prices, both in Australia and New Zealand, wool sales to the United States are not expected to improve during 1971. Competition from synthetic fibers, plus large carryovers of textile materials resulting from the 1970 economic recession, is expected to limit consumption of wool by U.S. manufacturers during 1971.

Deciduous fruits. Since 1967, Australia has developed a small trade in exports of apples to the United States during the "off season" marketing period. Although exports of apples to the United States in 1969–70 were still below the half-million-dollar level, imports of pears averaged 4,500 tons valued at about $1.1 million during 1968–69 and 1969–70.

New Dictionary Published On Farm Trade Terms

A new reference manual, *Dictionary of International Agricultural Trade*, has just been published by the Foreign Agricultural Service as an index of the fast-growing vocabulary of foreign trade in agriculture. Containing 670 entries, the dictionary provides a common language for trade groups cooperating with FAS, exporters and importers, students of world commerce, and others.

Single copies of the *Dictionary*, AH–411, can be obtained from the Foreign Market Information Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250. Additional copies are on sale for $1.50 each at the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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